

Using information on quality in Medicare

ISSUE: The Medicare program has the responsibility to assure that quality health care is available to beneficiaries. Traditionally, the Medicare program has sought to achieve this goal by establishing regulatory requirements. MedPAC has focused most of its recommendations on improving the regulatory process. Yet, Medicare has limited information on the quality of care it is buying. Further, the program lacks an overall strategy for determining what to measure and how to use the information.

KEY POINTS: The Medicare program needs information on quality to:

- assess the quality of the care the Medicare program buys for beneficiaries;
- ensure the level of payment is adequate for beneficiaries to receive high quality care in specific settings; and
- distinguish between providers to
 - assist consumer choice
 - focus quality assurance efforts
 - stimulate provider improvement
 - identify high quality providers.

In the last few years, CMS has established some measures to assess quality of care. For example, some information on beneficiaries' satisfaction with traditional Medicare and Medicare+Choice (M+C) programs is collected. Other measures provide Medicare information about the processes and outcomes of care in specific settings, including nursing homes, dialysis facilities, and M+C plans. However, it is unclear whether the information obtained through these measures is sufficient to help Medicare ensure quality of care. In addition, these measures were not developed in coordination with each other and are applied differently to different parts of the program and providers.

MedPAC staff proposes that in the upcoming year the Commission evaluate Medicare's efforts for measuring quality of care in traditional Medicare and M+C. Our analysis will attempt to identify gaps in the program's knowledge of quality and determine whether additional data collection or analysis may be necessary. For the March report, a summary of the available aggregate information on quality for each service setting could be included. For the June report, information needs for quality could be discussed. Ultimately, the findings of this project could also establish the foundation for further work on the relationship between quality and payment.

ACTION: Commissioners should provide feedback on the general direction and specific goals proposed in the attached outline of the work plan.

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